



# **NEWS**

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**FOR RELEASE: 8:30 a.m. EST  
MARCH 27, 2001  
FHFB 01-07**

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## **Federal Housing Finance Board Reports Lower Fixed-Rate Mortgage Interest Rates**

**The Federal Housing Finance Board today reported that the average interest rate on conventional 30-year, fixed-rate mortgage loans decreased 18 basis points to 7.13 percent. Interest rates on 15-year, fixed-rate loans decreased by 45 basis points to 7.14 percent during February.**

**The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) decreased 15 basis points to 7.08 percent. The effective interest rate, which reflects the amortization of initial fees and charges, also decreased 15 basis points to 7.17 percent. The average contract rate on fixed-rate mortgages decreased 21 basis points to 7.13 percent, while the average contract rate on adjustable-rate mortgages (ARMs) increased 14 basis points to 6.65 percent. Initial fees and charges were 0.57 percent of the loan balance in February, down from 0.58 percent in January. Thirty-five percent of the purchase-money mortgage loans originated in February were "no-point" mortgages, the same as in January. The average term was 27.9 years in February, down from 28.5 percent in January. The average loan-to-price ratio in February was 76.5 percent, down from 77.0 percent in January. The average loan amount was \$152,500, the same as in January, while the average house purchase price increased by \$2,200 to \$210,000.**